

HJG ASSOCIATES**Howard J. Grossman, AICP
Consulting Services**

July 16, 2001

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FCC MAIL ROOM

Ms. Magalie Roman Salas
 Secretary
 Federal Communications Commission
 445 12th Street, S.W. TW-B204
 Washington, DC 20554

RE: Application by Verizon Pennsylvania, Inc. for Authorization to Provide In-
 Region, InterLATA Services in State of Pennsylvania, Docket No. 01-138

Dear Ms. Salas:

I am writing this letter in support of the application of Verizon Pennsylvania, Inc. to the Federal Communications Commission for authorization to provide In-Region InterLATA Services in the Commonwealth of Pennsylvania. It is my understanding that the 271 filing has been transmitted to your office and that the PUC has issued a positive report to your office. I further understand that the FCC has ninety days to review Verizon's application and that the US Department of Justice will provide comments.

As the former executive director of the Economic Development Council of Northeastern Pennsylvania, I personally know of the many fine contributions that Verizon has made to the overall regional development and community life of this region and the outstanding public citizen that the company has been to the entire Commonwealth in many different ways. This commitment continues today for the benefit of the state's economic development and quality of life.

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Competition in the telecommunications industry is vital. Verizon, as any other company in that field, should be given the opportunity to offer a full range of services including long-distance, if the free enterprise system in this state and nation is to have comprehensive meaning and purpose. It is shown by Verizon having met the fourteen point competitive checklist specified in the Telecommunications Act of 1996. Furthermore, it is my understanding that Verizon underwent an exhaustive 18-month test of its operating support systems, and that these systems are used by competitors in the

16 Skyview Drive
 Dallas, Pennsylvania 18612

Phone: (570) 675-5239
 Fax: (570) 675-1642

E-mail: grossmanhj@gateway.net

same industry sector. The 18- month test was requested by the Pa. PUC and was conducted independently by KPMG Consulting. It is my further understanding that the test results demonstrated that the operating support systems used by competitors are ready and working.

My research has led me to learn of the Verizon ability to provide competitive long distance service in Pennsylvania and thus offer increased choices for many of the Commonwealth's 12 million citizens. In the state of New York, research has concluded that consumers save an average of \$700 million a year in local and long-distance phone charges as a result of the recent study by the Telecommunications and Research and Action Center, a widely known consumer group. This reveals a savings of about \$4 a month for every phone line in New York. Similar saving could accrue to Pennsylvanians as a result of a positive review and action by the FCC on the Verizon proposal.

Such advantages as a one bill bundling of services can make it easier for the business community to compete along with increasing competition, lower prices, one stop shopping, real choices, and lower long distance rates without consumer confusion would be the benefit of a positive decision by the FCC. Here are some reasons why competition is already alive and in good shape in Pennsylvania and should be enhanced by the Verizon proposal to the FCC.

1. Nearly a million Pennsylvania telephone lines are served by Verizon's competitors.
2. Each month, more than one per cent of all residential telephone customers, about 45,000, choose to switch from Verizon to a competitor as their local service provider. That is a rate of more than 12 per cent per year.
3. Verizon meets or exceeds 97 per cent of the 585 test criteria examined in a 20 month independent test of the company's systems helping competitors to serve Pennsylvania customers.
4. Nearly 20 million telephone numbers have been assigned to Verizon's competitors.
5. More than 90 active competitors use Verizon's Operating Support Systems to serve Pennsylvania customers.
6. Verizon has 178 approved interconnection agreements with competitors, more than 362,00 interconnection trunks, and 1,957 co-location arrangements helping competitors serve Pennsylvania customers.
7. Verizon's competitors have access to 88 per cent of residence lines and 93 per cent of business lines through current and pending co-location arrangements.
8. Traffic exchanged with competitors' networks was over 6.5 billion minutes for January-March 2001, representing a 26 per cent increase over the monthly average in 2000 volumes.
9. In Pennsylvania, Verizon is currently processing about 3,300 local service requests daily from its local telephone competitors.
10. Verizon's competitors now serve more lines than all independent telephone companies in Pennsylvania.

Since the initiation of long distance service in Massachusetts and New York, as pointed out previously, more savings and choices of service have resulted, thus increasing opportunities for all consumers. Furthermore, my research has shown that the CLEC market share in Pennsylvania is higher than the national average; that Pennsylvania ranks seventh among all states for CLEC market share; that Pennsylvania ranks fifth of all states for actual number of CLEC lines; that Pennsylvania ranks fifth among all states for the number of large CLECs that reported data to the FCC; that 68 per cent of all zip codes in Pennsylvania have at least one other CLEC provider; and that as the FCC continues its investigation of the proposal, it will find that competition explodes and substantially increases when it becomes evident that the incumbent gets close to or achieves FCC approval for long distance entry, as witnessed in Texas and New York.

Let me summarize my findings in relation to the need for full and complete competition in the telecommunications industry including Verizon's long distance service capability to enhance the free enterprise system in this great nation and Commonwealth.

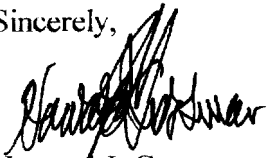
1. The small business community of Pennsylvania where most of the jobs come from in the state can benefit by the installation of long distance service by Verizon which has a proven track record of assisting in the development of these companies with its other service component system.
2. Increased choices will accrue for the small business community of the Commonwealth(and larger businesses as well) when Verizon has the opportunity to provide long distance service. This is particularly critical in a time and place when competition for goods and services is increasing, the Internet has made inroads into the economic system of the nation, and more and more attention is being placed on the international role of American and Pennsylvania companies for delivery of goods and services.
3. Every dollar saved in Pennsylvania will add to the Commonwealth's economy and competitive ability as has been previously noted in the New York State example.
4. Free enterprise advances as a philosophical construct in the nation when this proposal is approved as reflected in other states such as Oklahoma, Kansas, Texas, and New York.
5. There is much discussion about urban and rural service delivery in Pennsylvania in the field of telecommunications. The so-called digital divide breaks into this debate in the Commonwealth when it comes to the telecommunications industry. Competitors tend to serve the urban portions of the state or its metropolitan areas, thus leaving the rural parts of the state behind. Since the Commonwealth has more rural people than any other state, this issue needs resolution. Letting Verizon into the long distance market will encourage all companies in this industry sector to offer their services to rural Pennsylvanians more quickly and efficiently.
6. Higher profit margins generally happen when services are offered to larger businesses. Since the small business community deserves equality in service delivery, the more that choices are offered, the more likelihood that small businesses will survive and prosper in Pennsylvania through Verizon being in a position to offer long distance services. Furthermore, Pennsylvania desires to

advance start-up businesses as part of its strategy for economic development. My close to thirty years of economic development service leads me to believe that the more choices in telecommunications, the more opportunity for strengthening this aspect of the economic future of the Commonwealth.

7. The bundling of services to offer one-stop shopping for the small business community of Pennsylvania is essential. The Verizon long distance feature will allow such bundling to occur. A recent study by the Lincoln Institute/Commonwealth Foundation demonstrated that almost 65 per cent of customers in Pennsylvania who responded felt that they would prefer to have a single source for all of their telecommunication needs. This statewide study is only one source by which evidence has been compiled to determine the advantages allowing Verizon to provide long distance service in Pennsylvania. An appropriate, positive decision by the FCC to enable Verizon to proceed with their plans for long distance service in the Commonwealth is warranted based on all of the above factors as demonstrated by the extensive evidence found in this letter and by the tremendous documentation submitted by Verizon as part of its 271 filing before your organization.

In conclusion, it is essential and vital to the economic development of Pennsylvania that full and complete competition be allowed with the recommendation and subsequent endorsement and approval by the FCC to enable Verizon to provide long distance service in the Keystone State of Pennsylvania.

Sincerely,



Howard J. Grossman, AICP

Cc: Original and 4 copies to Magalie Roman Salas
J. McNulty, Pa. PUC
K. Trainor, US Dept. of Justice
International Transcription Service
Marcie Williams, External Affairs, Verizon Pennsylvania